Requirements for Traceability Audits

Preliminary Guidance for Certification Bodies and Auditors

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Purpose and Role of Requirements for Traceability Audits

A companion document outlines a generic traceability plan or draft standard intended for adoption by Oregon forest products industries to support claims for responsible sources consistent with ASTM D7612. The users of these traceability procedures would be audited against the traceability requirements by an accredited Certification Body (CB) before making a claim regarding their products as being from "Responsible Sources". This document outlines requirements for audit firms and auditors, and provides a preliminary audit guidance document that could be the basis for a more comprehensive guidance document that could be developed later if the standards are widely adopted.

Traceability Audits in this proposed system would not include sustainable forestry issues, which are covered by separate processes confirming the fit of Oregon-sourced wood with the requirements for "Responsible Sources" in accordance with ASTM D7612. The audits governed by this document would concern movements of eligible inputs starting from the time they leave the Oregon forests subject to the Oregon Forest Practices Act.

Normative References

The following referenced documents are indispensable for the application of this document. The latest edition of the referenced document (including any amendments) applies.

ISO/IEC 17000:2020, Conformity assessment — Vocabulary and general principles

ISO/IEC 17020:2012, Conformity assessment – Requirements for the operation of various types of bodies performing inspection

ISO/IEC 17021:2015, Conformity assessment -- Requirements for bodies providing audit and certification of management systems

ISO/IEC 17065:2012, Conformity assessment — Requirements for bodies certifying products, processes and services

ISO/IEC 17067:2012, Conformity assessment — Fundamentals of product certification and guidelines for product certification schemes

ISO 19011:2018, Guidelines for auditing management systems

Guidelines for auditing management systems ASTM D7612-21, Standard Practice to Categorize Wood- and Wood-based Products According to their Fiber Sources

Independent Third-Party Assessment of the Oregon Forest Practices Act in Accordance with ASTM D7612. Prepared for: Oregon Department of Forestry. PFS Corporation. Initial Certification: September 2015

American Lumber Standard Committee (ALSC); Board of Review (BOR) is the Accreditation Board
National Grading Rule Committee (NGRC)
The U.S. Department of Commerce Procedures for the Development of Voluntary Product Standards

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The associated draft **Traceability Requirements** - ASTM 7612 were developed as a Type 6 Product Certification Scheme as characterized in ISO/IEC 17067. If adopted for ongoing use a scheme owner would need to be identified from among two options described in ISO/IEC 17067:

a) A Certification Body could "develop a proprietary product certification scheme for the sole use of their clients"; or
b) An organization (NGO or regulatory agency) could "develop a product certification scheme in which one or more certification bodies participate".

The **Requirements for Traceability Audits** and the **Preliminary Audit Guidance Document** which follow would complete the product certification scheme.

Definitions

Site: A single physical location where management, processing, and/ product handling occurs for products within the scope of these audit requirements. A site may have one or many buildings and/or developed facilities, but all are found on a contiguous parcel(s) of land. A site often has a single physical address or access point, although having more than one of either does not preclude designation as a site.

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Qualifications for Certification Bodies and Auditors

1. Requirements for Certifying Bodies

1.1Preliminary Accreditation Requirements

☐ 1.1.1 Certification Bodies performing Traceability Audits against the requirements of the Traceability Requirements - ASTM 7612 must be independent third parties that maintain at least one of the following types of accreditations for related chain of custody or lumber testing/grading:

1. A similar forest product chain of custody program through an accredited product certification agency under ISO/IEC 17065 or ISO/IEC 17020.

Note: Examples of similar forest product certification systems include:

- American National Standards Institute (ANSI) as being competent to conduct certifications to the SFI® 2022 Chain-of-Custody Standard
- Standards Council of Canada (SCC) as being competent to conduct certifications to the SFI® 2022 Chain-of-Custody Standard
- ASI-Accreditation Services International GmbH as being competent to conduct certifications to the Forest Stewardship Council® (FSC®) Standard for Chain of Custody Certification FSC-STD-40-004 V3-1
- An equivalent national accreditation program operating under internationally recognized protocols having determined competency to certifications to the PEFC™ Chain of Custody of Forest Based Products – Requirements PEFC ST 2002:2020

2. The American Lumber Standard Committee Incorporated (ALSC) Board of Review as being approved to supervise labels or grade under certified rules.
3. SFI® 2022 Chain-of-Custody Standard
4. SFI® 2022 Fiber Sourcing Standard (note: Fiber Sourcing can be added to Responsible Source claim but not Certified Source claim)
5. Other approved requirements as determined by the Oregon Department of Forestry.

1.2 Ultimate Accreditation Requirements

☐ 1.2.1 Within two years of adoption of this standard the Certification/Inspection Bodies performing Traceability Audits for “Responsibly Sourced - ASTM D7612” products shall include this standard within the scope of their product certification program under ISO/IEC 17065, ISO/IEC 17020, ISO/IEC 17021, or be approved by ALSC as a certification agency for ASTM D7612 traceability requirements.

Exception: Other approved requirements as determined by the Oregon Department of Forestry.

2. Requirements for Auditors

2.1 General Requirements

☐ 2.1.1 Auditors performing Traceability Audits - ASTM 7612 must have attained the minimum requirements for product audits, management system audits, lumber testing/grading audits, or related audits as provided by one or more of the following:

- ISO/IEC 17020, Conformity assessment – Requirements for the operation of various types of bodies performing inspection
- ISO/IEC 17021, Conformity assessment - Requirements for bodies providing audit and certification of management systems
- ISO/IEC 17065, Conformity assessment - Requirements for bodies certifying products, processes and services
- American Lumber Standard Committee, Incorporated® Board Of Review - Lumber Enforcement Regulations

  Exception: Other approved requirements as determined by the Oregon Department of Forestry.

Specialized Requirements

☐ 2.1.2 Auditors performing Traceability Audits - ASTM 7612 must also have experience or training in the following:

- ☐ a. Auditing of products or of management systems, or product testing;
- ☐ b. Audits or other work experience in manufacturing or product handling and/or tracking as relevant to the audit being performed; or
- ☐ c. Wood scaling or measurements sufficient to understand calculations for percentage and credit systems and conversion calculations for any system.

3. Auditing Procedures

3.1 General

☐ 3.1.1 The certification body shall assess conformance to each element of the traceability requirements within the scope of the audit. The sections titled "Purpose and Role" and "Introduction" are informative, and as such, are not auditable elements.

☐ 3.1.2 The certification body shall ensure that the audit objectives and scope as well as the auditor time allocated to the audit:

- ☐ a. allow for accurate determination of conformance for the operating units and relevant functional areas within the scope of the audit; and
- ☐ b. verify whether the Program Participant has effectively implemented its traceability program requirements.

3.2 Audit Conduct

☐ 3.2.1 The CB shall prepare an audit plan and provide it to the organization being audited in advance of the audit. The plan shall include the scope of the organization's program and a general outline of the steps to be taken to assess conformance to the program to the traceability requirements.

☐ 3.2.2 If a major nonconformity is found, a certificate of conformance shall not be issued until the certification body verifies that corrective action approved by the lead auditor has been implemented. A revisit may be required to verify implementation of corrective actions.

☐ 3.2.3 If a minor nonconformity is found, a certificate of conformance may be issued only after the lead auditor approves a corrective action plan that addresses the nonconformity within an agreed-upon period, not to exceed one year. Verification that the corrective action has been effectively implemented shall occur during the next surveillance audit.

3.3 Reporting

☐ 3.3.1 Audit report contents are specified by ISO 17021, ISO 17065 or their equivalent, depending on the accreditation program which qualifies the Certification Body. In addition, the audit report to the organization shall cover:

- ☐ a. the audit plan including a description of the audit process used;
- ☐ b. a summary of the audit scope and findings; and
- ☐ c. a schedule for surveillance and recertification.

3.4 Audit Interval

☐ 3.4.1 The initial audit must be successfully completed before any labels or claims are used.

☐ 3.4.2 Surveillance audits must occur annually, with up to a 14-month interval allowed.

☐ 3.4.3 Re-Certification audits must be completed within 5 years of the Certification or Re-Certification decision.

4. Auditing Provisions for Multi-Site Programs

4.1 General

☐ 4.1.1 The certification body shall assess conformance to the requirements in a way that is sufficiently broad to cover all types of processing and product handling included for products within the scope of the program. For sequential arrangements (product moves through a series of processing steps at different sites) each site/process would be subject to assessment of conformance, subject to exceptions noted below.

☐ 4.1.2 A certification body may employ sampling methods in cases where there are three or more sites under single ownership performing the same processing/handling function provided that the related program for which they are accredited contains normative provisions for multi-site auditing and these provisions have been adapted by the CB for use in this standard.

4.2 Specific

☐ 4.2.1 The certification body shall assess conformance for all relevant requirements at each site, excepting those sites not selected for audits under the provisions of a sampling method as described previously.

☐ 4.2.2 The certification body shall assess the ability of the organization's designated central management (the individual or administrative entity responsible for linking the sites into a functional whole for purposes of conforming to the traceability requirements) to exercise effective control over the relevant activities of all sites.

Guidance for Certification Bodies and Auditors

Key Normative Documents

ISO/IEC 17020, Conformity assessment – Requirements for the operation of various types of bodies performing inspection

ISO/IEC 17021, Conformity assessment -- Requirements for bodies providing audit and certification of management systems

ISO/IEC 17065, Conformity assessment — Requirements for bodies certifying products, processes and services

The key normative documents listed above provide the framework for certification of the client organization's program for ongoing conformance to the Traceability Requirements. This guidance is written with the assumption that the CB will operate under at least one of the above documents, ensuring a common base of understanding. CBs operating under an accreditation program based on alternative CB accreditation frameworks should at least be familiar with the protocols and requirements of one of the above.

The guidance below will assist CBs and auditor in understanding one approach to the challenges of reliable assessments of ongoing conformance to the Traceability Requirements.

Guidance for Certification Bodies and Auditors

Traceability Audit

The traceability audit is an audit of systems intended to (initial audit) or being used to accurately connect and convey information about the characteristics of products based on the characteristics of the source raw materials. The organization's system to ensure accurate claims, including those provisions used to prevent untracked mixing or other potential errors, are assessed by an independent third-party. Ultimately a finding of conformance and the issuing of a certificate is the third-party's statement that the systems are in place and functioning well enough that claims and labels are highly likely to be accurate.

Audit Principles

Audits should be carried out in ways to ensure the following principles of auditing are met (Source: ISO 19011).

- **Ethical conduct: the foundation of professionalism.**
  Trust, integrity, confidentiality and discretion are essential to auditing.
- **Fair presentation: the obligation to report truthfully and accurately.**
  Audit findings, audit conclusions, and audit reports reflect truthfully and accurately the audit activities. Significant obstacles encountered during the audit and unresolved diverging opinions between the audit team and the auditee are reported.
- **Due professional care: the application of diligence and judgment in auditing.**
  Auditors exercise care in accordance with the importance of the task they perform and the confidence placed in them by the audit clients and other interested parties. Having the necessary competence is an important factor.
- **Independence: the basis for the impartiality of the audit and objectivity of the audit conclusions.**
  Auditors are independent of the activity being audited and are free from bias and conflict of interest. Auditors maintain an objective state of mind throughout the audit process to ensure that the audit findings and conclusions will be based only on the audit evidence.
- **Evidence-based approach: the rational method for reaching reliable and reproducible audit conclusions in a systematic audit process.**
  Audit evidence is verifiable. It is based on samples of the information available, since an audit is conducted during a finite period of time with finite resources. The appropriate use of sampling is closely related to the confidence that can be placed in the audit conclusions.

Audit Duration

Audits should be designed to ensure sufficient time is allowed for a review of all requirements including evidence from a range of product types, jobs, and circumstances within the scope. In many cases a site's program can be reviewed in one day or less time, particularly if one or more of the administrative functions are managed from outside of the site. Additional time will be required for audit planning and preparation and for development of the audit report.

Audit Planning and Preparation

Prior to the start of an on-site audit the auditor must work with the organization (being audited) to develop a mutual understanding of audit scope, objectives, and processes. This pre-audit preparation will lead to the development of a written audit plan containing at least:

- "The audit objectives" and "the audit criteria"; for example, initial determination of conformance to the Draft Traceability Requirements - ASTM 7612.
- "The audit scope, including identification of the organizational and functional units or processes to be audited"; for example, the Smith Sawmill and wood concentration yard in Woodstown involving the milling, drying, and finishing of Douglas-fir dimension lumber.
- An audit agenda that includes the dates and sites for audit activities, times and locations for opening and closing meetings, and preliminary schedules for the major aspects evidence-gathering; for example, 8 a.m. Opening Meeting; 9 a.m. Wood Receiving Area; 10 a.m. Input records; 11 a.m. Walk-through of manufacturing areas; 1 p.m. Calculations of input volumes, conversion, percentage/credit calculations, and credit accounts; 3 p.m. Sales and Delivery; 4 p.m. Management System Functions; 5 p.m. Closing Meeting
- Name, contact information, and qualifications of the audit team members and any observers

Source for quoted material: ISO/IEC 17021

The audit plan should be provided to the organization at least one week prior to the start of audit activities. It should be reviewed during the opening meeting and revised as needed.

Audit Activities – Opening Meeting

The audit should begin with an opening meeting between the auditor(s), the representative of the organization, and as many of the organization's involved personnel that can be present. This meeting is used to review the audit scope and objectives, make needed adjustments to the audit plan, schedule needed interviews, and allow the auditor to being to assess conformance. Agenda items would normally include:

1. Introduction of meeting participants;
2. Confirmation of audit scope and objectives;
3. Review of audit plan, revisions, and final determination of interviews needed;
4. Discussion of walk through and safety procedures required;
5. Presentation by organization of an overview of the organization, operations within scope, and the main elements of its traceability program; and
6. Outline by auditor or auditing protocols including methods for recording evidence, developing and communicating findings such as non-conformances, certification decision process, and timing and content of final report.

Audit Activities – Selection and Review of Evidence

During the audit several types of objective evidence are selected and assessed by the auditors. Evidence should be selected to represent the full range of activities which are part of the organization's traceability program. For evidence types where there are many instances of the

same type of record (delivery tickets, file for a particular supply, supplier records) the selection of samples for review should be under the control of the auditor and should include some degree of randomness.

Three main types of evidence are used to assess conformance with the standard:

1. Written or electronic documentation;
2. Observations of activities, processes, or the results of these; and
3. Information obtained from interviews.

Evidence Type	Examples
1. Documentation	Records of: Inputs; Classification of inputs as to eligibility; Documentation of review of FERNs numbers, Forest Management Certificates, and/or Chain of Custody Certificates; Sales including information used to make claims; Credit Accounts
2. Observations	Segregation and/or marking of material to ensure that eligibility is maintained; Calculations of conversion factors/ratios; Processing activities to confirm they are implemented as described in procedures
3. Interviews	Senior Management; CoC Program Lead; Purchasing; Receiving; Warehousing/Material Handling; Processing; Accounting; Sales; Shipping; Internal Auditors

The use of auditing checklists and report templates ensures consistency and completeness and should be encouraged.

Forming Preliminary Conclusions

For each traceability requirement the auditor will make a determination of conformance based on the evidence reviewed. In most systems there are several possible findings, including:

- Conformance: the requirement has been met
- Opportunity for Improvement/Observation: the requirement has been met, but there is room for improvement
- Minor Non-Conformance: Isolated instances where a requirement has not been met, or has been met in an incomplete manner; the system is judged to be generally working, but errors or oversights have been found during the audit.
- Major Non-Conformance: A requirement has not been met based on a systematic deficiency.

The auditor must review the preliminary findings involving non-conformances with the organization's representative to ensure that there has not been a misunderstanding of evidence or systems. In some cases, additional evidence helps the auditor distinguish between isolated or systematic issues. It is also possible that an auditor could temporarily misunderstand the facts and their relevance, or not have access to complete information regarding an audit finding, and a discussion with the auditee or their representative can clarify the situation such that conformance is found. The auditor relies on their training, experience, judgement, and the auditing system

they are operating under to determine when to share preliminary findings and how much time should be devoted to considering additional evidence.

Audit Activities – Non-conformances

Once the auditor has determined that they have sufficient initial or additional evidence to issue a robust finding they should make provisions to share their finding with the auditee's representative. There are varied protocols for doing this, but ultimately a written and official audit report must include clear list of findings, including non-conformances and the steps and timelines needed to address them.

Closing Meeting - Presentation of Findings

A closing meeting is held to present the audit findings. Normally this closing meeting occurs before the auditor leaves the site, although with large, complex, or multi-site audits this can be done later. The findings are in draft form, to be finalized in written form later after the Certification Body has implemented its audit review process and determined its official results.

Reporting and Report Review

In some systems a draft report is provided to the auditee for comments before the official report review by the Certification Body. The report should include all required elements specified in the Traceability Requirements for Responsible Sources.

The report will include the auditor's recommendation, which can be contingent on adequate and approved measures to address minor nonconformances and/or measures to address major non-conformances with auditing provisions to confirm the implementation of the corrections. The rules for how non-conformances are to be addressed prior to issuance of certificates are generally addressed in the Certification Body's Accredited Procedures, and are often set by ISO protocols.

Certificates, Label Use

The Certification Body may issue a certificate and/or other forms of attestation that the system is approved to make claims and/or apply labels or stamps.

Document Control:

Version	Date	Changes
2.2	6/21/2016	Original Document
2.3	7/6/2021	Update Standard Dates in Normative References and Section 1.1.1.
2.3	7/6/2021	Added SFI Fiber Sourcing as a Responsible Source to Section 1.1
2.3	7/6/2021	Other ODF approved requirements added to Sections 1.1, 1.2 and 2.1.
2.3	7/6/2021	Added SFI Chain of Custody to Section 1.1
2.3	7/6/2021	Added ISO 17020 to Sections 1.1. 1.2, 2.1 and Key Normative Documents
2.3	7/6/2021	Added ISO 17021 to Section 1.2